



Testimony of Renewable Energy New England, Inc. before the
Energy and Technology Committee on
House Bill 6459 - *An Act Concerning Renewable Resource Generation*
March 1, 2011

Senator Fonfara, Representative Nardello, Senator Witkos, Representative Hoydick and members of the Energy and Technology Committee, my name is Francis Pullaro and I'm here on behalf of Renewable Energy New England, Inc. ("RENEW") as its Executive Director to testify in opposition to proposed House Bill 6459, *An Act Concerning Renewable Resource Generation*.

RENEW is a partnership between the renewable energy industry and environmental public interest groups in New England whose mission involves promoting clean, renewable and environmentally responsible technologies for the region that will increase energy diversity, spur economic development, and improve environmental quality. RENEW's membership is comprised of the American Wind Energy Association, Conservation Law Foundation, First Wind, Horizon Wind Energy, Iberdrola Renewables, Union of Concerned Scientists and Vestas Americas.

HB 6459 provides for the utilities to construct and/or own up to 10 MW of renewable generation under the cost of service regime without being exposed to a competitive process. This change in state energy policy will unjustifiably place the risk on ratepayers for possible above-market costs. Ideally, renewable energy facilities should be supported by long term contracts awarded under a competitive procurement process where all bidders are competing under the same rules and the winner is selected based on the lowest cost bid to construct the facility. Once the developer is selected, it must adhere to the terms of the RFP and cannot assess ratepayers for cost overruns. As an alternative to House Bill 6459, RENEW supports the Request For Proposal ("RFP") model that the General Assembly enacted in Public Act 05-01, *An Act Concerning Energy Independence* (new generation to reduce expected Federally Mandated Congestion Costs), or the competitive cost of service model in Public Act 07-242, *An Act Concerning Electricity And Energy Efficiency* (new generation for peaking needs), which each accomplished legislative goals by using a competitive selection process to achieve the sought after generation.

In the short-term using RFPs can help Connecticut achieve modest renewable energy goals. The development of renewable resources also requires that the state's energy policies be stable,

consistent and transparent. Changes in the rules on utility generation ownership, siting and the Renewable Portfolio Standard can undermine developer and investor confidence.

As Connecticut looks to obtain larger amounts of energy from renewable resources in the years ahead, the utility RFP model could eventually become unworkable due to potential negative repercussions for utility balance sheets and their credit ratings and its incompatibility with the competitive retail market. Any long term policy for renewable energy procurement in Connecticut should wait until the initiative by the New England Governors' Conference to consider regional renewable energy procurement is completed by the New England States Committee on Electricity.

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